The pattern of financing of relief expenditure is as follows:

(i) *Drought*: Approved expenditure, incurred by the State Government over and above its Margin Money and upto of its Annual Plan outlay, is treated as an addition to the Plan outlay in that year and covered by Advance Plan Assistance adjustable against Central assistance for the State's Plan within five years following the end of the drought Where such expenditure exceeds 5 per cent, indicating the special severity of the calamity, Central assistance is given to meet the extra expenditure half as grant and half as loan, not adjustable against Plan assistance for future years.

(ii) *Floods, cyclones, hailstorm, earthquakes, fire etc.*: Central assistance is given in the form of non-Plan grant, not adjustable against the Plan of the States or against Central assistance for State Plans, to the extent of 75 per cent of the approved expenditure incurred by the State Government over and above its Margin Money. The balance 25 per cent is borne by the State Government.

The scheme of financing of relief expenditure as recommended by the Eigth Finance Commission has been the same as recommended by the Seventh Commission. However, there are some variations in the recommendations of the Eighth Finance Commission as compared to those of Seventh Finance Commission In the recommendations of the Seventh Finance Commission, fire was not covered under natural calamities. However, the Eighth Finance Commission has included fire under natural calamities. Further, the Eighth Finance Commission has made a departure from the Seventh Finance Commission in the manner of funding the Margin Money. The Seventh Finance Commission made a provision equal to the Margin Money, determined by it, in the revenue forecast of each State, whereas, the Eighth Finance Commission has recommended that the Centre should contribute 50 per cent of the Margin Money, determined for each State, every year.

(c) No, Sir.

Negotiation with Jharkhand Coordination Committee

776. SHRI BASUDEB MOHAPATRA: Will the Minister of HOME AFFAIRS be pleased to state:

(a) whether any discussion was recently held with the delegation of Jharkhand Coordination Committee regarding formation of Jharkhand State;

(b) if so, what is the outcome of the discussion; and

(c) if not, what is Government's reaction to the demand of Jharkhand party?

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI CHINTAMANI PANIGRAHI): (a) No, Sir.

(b) Does not arise.

(c) Such demands arise on account of economic imbalances. The Government is of the view that such imbalances in a particular State or region should be tackled through the mechanism of planning and the creation of a separate State may not be the answer to the problem.

Financial Assistance under the Self Employment Programme for Urban Poor in Orissa

777. SHRI BASUDEB MOHAPATRA: Will the Minister of FINANCE be pleased to state:

(a) what is the number of unemployed youth in Orissa who got financial assistance under the Self Employment Programme for Urban Poor during the last three years;